

**Title 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 103—Sales/Use Tax—Imposition of Tax**

EMERGENCY RULE

12 CSR 10-103.381 Items Used or Consumed by Photographers, Photofinishers and Photoengravers, as Defined in Section 144.054, RSMo.

PURPOSE: Section 144.054.2, RSMo, exempts from state sales tax and local use tax, but not local sales tax, machinery, equipment, materials and chemicals used or consumed in manufacturing, processing, compounding mining or producing any product or used in research and development related to manufacturing. This rule explains the exemption for photographers, photofinishers and photoengravers.

*EMERGENCY STATEMENT: The director finds that there is an immediate danger to the public welfare, which can only be addressed through this emergency rule. This emergency rule is necessary to ensure public awareness and to preserve a compelling governmental interest requiring an early effective date in that the emergency rule informs the public of new sales tax exemptions that are available to various sellers and their customers as a result of enactment of TAFP CCS HCS SB 30 by the 94th Missouri General Assembly. These exemptions are effective August 28, 2007, and taxpayers need guidance regarding how these statutory changes impact them. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rule is limited to the circumstances creating the emergency and complies with the protections extended in the **Missouri** and **United States Constitutions**. The director believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule filed Aug. ____, 2007, effective Aug. 28, 2007, expires Feb. 23, 2008.*

(1) In general, purchases of machinery, equipment, materials and chemicals used or consumed in manufacturing, processing, compounding mining or producing any product or used in research and development related to manufacturing are exempt from state sales tax and local use tax, but not local sales tax.

(2) Definition of Terms: See the definition of terms in 12 CSR 10-111.010 Machinery and Equipment Exemptions.

(3) Basic Application of Tax.

(A) Supplies such as film, chemicals and other materials purchased for the photographer's use or consumption are exempt from state sales tax and local use tax, but not local sales tax.

(4) Examples.

(A) A photographer purchases chemicals and other supplies used to develop photographs. These chemicals and supplies are not intended to remain with the

photograph. These purchases are exempt from state sales tax and local use tax, but not local sales tax, because they are consumed in the developing process.

*AUTHORITY: section 144.270, RSMo 2000 and CCS HCS SB 30, enacted by the 94th General Assembly, 2007. Emergency rule filed Aug. ____, 2007, effective Aug. 28, 2007, expires Feb. 23, 2008. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**.*